

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

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**ADMINISTRATIVE RULE
FISCAL IMPACT STATEMENT**

PROPOSED RULE: 03-134

DATE PREPARED: Sep 16, 2003

STATE AGENCY: Family and Social Services Administration

DATE RECEIVED: Aug 7, 2003

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Digest of Proposed Rule: This rule amendment is intended to bring the Office of Medicaid Policy and Planning (OMPP) rules into conformance with changes made to the Medicaid lien and estate recovery statutes as enacted in P.L. 224-2003. The amended rule repeals the \$125,000 exemption on property subject to a lien. It also reduces the Medicaid estate recovery exemption for jointly owned real property from \$125,000 to \$75,000. The rule further clarifies that real property that is disregarded as a result of the purchase and use of a long-term care insurance policy is exempt from Medicaid lien placement and enforcement.

Governmental Entities: *State:* This revision may result in an increase in Medicaid recoveries. OMPP estimates the elimination of the \$125,000 lien exemption to result in recoveries of Medicaid expenditures in a range of \$4.5 M to \$8.9 M. This represents \$1.7 M to \$3.4 M in state funds. There may be smaller additional recoveries as a result of the amended rule. However, the impact has not been quantified at this time. This rule places no unfunded mandates upon state government.

Local: There should be no local impacts as a result of the rule amendment. This rule places no unfunded mandates upon any local government unit.

Regulated Entities: The rule affects the estates of Medicaid recipients residing in nursing homes or other institutions who are not expected to return home, as well as the estates of deceased Medicaid recipients.

Information Sources: P.L.224-2003, Donna Stolz Sembrowski, and Mary Ann Hack